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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/789,392	02/27/2004	Michael D. Smith	418268003US	4945
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PERKINS COIE LLP/MSFT P. O. BOX 1247 SEATTLE, WA 98111-1247			EXAMINER KUCAB, JAMIE R	
			ART UNIT 3621	PAPER NUMBER
			NOTIFICATION DATE 11/16/2009	DELIVERY MODE ELECTRONIC

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

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<b>Office Action Summary</b>	<b>Application No.</b> 10/789,392	<b>Applicant(s)</b> SMITH ET AL.	
	<b>Examiner</b> JAMIE KUCAB	<b>Art Unit</b> 3621	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 18 August 2009.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-3 and 6-21 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-3 and 6-21 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |  |   |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892)                       | 4) <input type="checkbox"/> Interview Summary (PTO-413)           |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)   | Paper No(s)/Mail Date. _____                                      |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date <u>2/24/09, 8/18/09</u> .  | 6) <input type="checkbox"/> Other: _____                          |

## **DETAILED ACTION**

### ***Continued Examination Under 37 CFR 1.114***

1. A request for continued examination ("RCE") under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on August 18, 2009 has been entered.

### ***Acknowledgements***

2. In accordance with the RCE above, claims 1-3 and 6-21 are currently pending.
3. Claims 1-3 and 6-21 are examined below.
4. This Office action is given Paper No. 20091109 for reference purposes only.
5. Based on a comparison of the PGPub US 2005/0192877 A1 with Applicant's originally submitted specification, the PGPub appears to be a fair and accurate record of the Applicant's specification. Therefore, except where otherwise noted, references in this action to Applicant's specification refer to paragraph numbers in the PGPub.

### ***Claim Objections***

6. Claim 14 is objected to because of the following informalities: where Applicant recites "implemented as instructions," it appears that Applicant intends to recite --

implemented by instructions -- or -- implemented via instructions -- or similar. For the purpose of comparison with the prior art, the Examiner is taking it as such. There are multiple punctuation errors in this claim. For example, where Applicant recites "should a dispute arise and," it appears that Applicant intends to recite -- should a dispute arise; and -- or similar. Appropriate clarification or correction is required.

***Claim Rejections - 35 USC § 112, Second Paragraph***

7. The following is a quotation of the second paragraph of 35 U.S.C. §112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

8. Claims 1-3 and 6-21 are rejected under 35 U.S.C. §112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

9. Regarding claim 1, Applicant's recitation "wherein when the service provider has been provided by the service consumer with the start code, the service provider can request payment for the billing unit from a financial entity by providing the start code to the financial entity so that the financial entity can request the service intermediary to verify that the end code can be generated from the start code" would have been unclear to a person having ordinary skill in the art at the time of the invention. It is unclear whether the request for payment is a positively recited method step. It is unclear whether the request for verification is a positively recited method step. It is unclear whether the verification is a positively recited method step. If these are not positively recited method steps, it is unclear what limitation is placed on the entities, data, and

other method steps in the claims by this recitation. For the purpose of comparison with the prior art, the Examiner is interpreting “wherein when the service provider has been provided by the service consumer with the start code, the service provider can request payment for the billing unit from a financial entity by providing the start code to the financial entity so that the financial entity can request the service intermediary to verify that the end code can be generated from the start code” to be --in response to the service provider being provided by the service consumer with the start code, the service provider requesting payment for the billing unit from a financial entity by providing the start code to the financial entity; the financial entity requesting the service intermediary to verify that the end code can be generated from the start code; the service intermediary verifying that the end code can be generated from the start code--.

Appropriate clarification and/or correction is required.

10. Regarding claim 14, Applicant’s recitation “when it can be verified that the end code can be derived from the code included in the request, providing the requested service” would have been unclear to a person having ordinary skill in the art at the time of the invention. It is unclear whether this verification is a positively recited method step. If it is not positively recited, it is unclear what limitation “when it can be verified that the end code can be derived from the code included in the request” places on the method. For the purpose of comparison with the prior art, the Examiner is interpreting “when it can be verified that the end code can be derived from the code included in the request, providing the requested service” to be -- verifying that the end code can be derived from the code included in the request; after successfully verifying that the end

code can be derived from the code included in the request, providing the requested service --. Appropriate clarification and/or correction is required.

11. Regarding claim 14, Applicant's recitation "wherein the service provider can use a start code included in the last received request to demonstrate to the service intermediary that the service consumer requested the number of services should a dispute arise" would have been unclear to a person having ordinary skill in the art at the time of the invention. This is not a positively recited method step. It is unclear what limitation this recitation places on the "start code," the "last received request," or previous method steps. For the purpose of comparison with the prior art, the Examiner is interpreting "wherein the service provider can use a start code included in the last received request to demonstrate to the service intermediary that the service consumer requested the number of services should a dispute arise" to be --in response to a dispute, the service provider using a start code included in the last received request to demonstrate to the service intermediary that the service consumer requested the number of services--. Appropriate clarification and/or correction is required.

### **Claim Rejections - 35 USC § 103**

12. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

13. Claims 1-3, 6, 7, 11-18, as understood by the Examiner, are rejected under 35 U.S.C. §103(a) as being unpatentable over Briscoe et al. (US Patent No. 6,341,273) in view of either Frankel et al. (US Patent No. 7,184,988, hereafter "Frankel") or Hauser et al. (Ref U on the form PTO-892 of Paper No. 20081020, hereafter "Hauser") and further in view of Wrona et al. (USPGPub No. 2002/0128983 A1, hereafter "Wrona").

14. Regarding claim 1, Briscoe discloses all the elements of the claimed invention including:

- a. specifying a number of services within a billing unit for the service provider and the service consumer ("set number of times," C1 L63 - C2 L24);
- b. generating a sequence of codes ("the hash chain") from a start code ("secret random number") to an end code ("value at the end of the hash chain"), the number of codes in the sequence corresponding to the specified number of services within the billing unit ("set number of times," C1 L63 - C2 L24);
- c. when the service consumer requests a service of the service provider, providing to the service provider one of the codes of the sequence from which the end code can be derived ("the user communicates to the vendor the value at the end of the hash chain," C1 L63 - C2 L24); and
- d. when the service provider has been provided by the service consumer with the start code, requesting payment for the billing unit from a financial entity by providing the start code to the financial entity so that the financial entity can request the service intermediary to verify that the end code can be generated from the start code ("The vendor may collect the money owed to it at any time by

communicating the last revealed hash value to the broker's settlement interface,"  
C7 L5-9).

15. However, although Briscoe discloses providing the end code to the service provider ("the user communicates to the vendor the value at the end of the hash chain," C2 L6-7), Briscoe fails to explicitly disclose providing the end code to the service provider via a service intermediary.

16. Both Frankel and Hauser teach selecting the start code, generating a sequence of codes (hash chain), and providing the end code to the service provider via a service intermediary (Frankel, Fig. 1 and associated text, C10 L15-21; Hauser, pgs. 2-7).

17. It would have been obvious to one having ordinary skill in the art at the time of the invention to modify the system of Briscoe to include the start code selection, code sequence generation, and provision of the end code to the service provider via a service intermediary of Frankel or Hauser in order to achieve the predictable result of allowing for contract signing between the consumer and service provider (Frankel, C13 L38-41).

18. However, the neither the combination of Briscoe/Frankel nor the combination of Briscoe/Hauser explicitly discloses that the start code is generated by the service consumer.

19. Wrona teaches a service consumer ("payer") generating a start code ("w0, which is signed by the payer," [0061]).

20. It would have been obvious to one having ordinary skill in the art at the time of the invention to modify either the system of Briscoe/Hauser or Briscoe/Frankel to include the start code generation by the service consumer of Wrona in order to achieve



the predictable result of repudiation by the service consumer ("the payment can not be repudiated," [0061]).

21. Regarding claims 2, 3, 7, 11, 15, 16, 18, although Briscoe discloses specifying different numbers of services for billing units, the combination of Briscoe/Frankel/Wrona or Briscoe/Hauser/Wrona does not disclose doing so for different customers in order to minimize transaction costs or in order to control exposure to risk of non-payment.

However, this difference lies only in the intended use or intended result of the method.

As such, it cannot patentably distinguish the method from the prior art.

22. Regarding claims 6 and 17, Briscoe further discloses wherein the sequence is generated using a one-way function ("The user then uses a publicly known hash function ... The one-way nature of the hash function," C1 L63 - C2 L24).

23. Regarding claim 12, Briscoe further discloses wherein the service intermediary ("the broker") generates the sequence ("the broker generates a number of hash chains," C8 L21-22).

24. Regarding claims 13 and 14, Briscoe further discloses wherein the service provider provides services requested by the service consumer ("The vendor now delivers the goods to the client," C6 L48).

25. Claims 8-10 and 19-21, as understood by the Examiner, are rejected under 35 U.S.C. 103(a) as being unpatentable over Briscoe/Frankel/Wrona or Briscoe/Hauser/Wrona and further in view of Applicant-Admitted Prior Art.

26. Regarding claims 8-10 and 19-21 Briscoe/Frankel/Wrona or Briscoe/Hauser/Wrona disclose all the elements of the claimed invention including that

the service intermediary ("the bank") resolves disputes ("The bank checks that the value is that expected for the tenth hash value generated from the relevant random secret number," Briscoe, C1 L63 - C2 L24). But both Briscoe/Frankel/Wrona and Briscoe/Hauser/Wrona fail to explicitly disclose resolving the dispute one way or the other based on the result of the hash value check. However, it is Applicant-Admitted Prior Art that it was old and well known in the art at the time of the invention for a trusted third party or intermediary to resolve disputes in favor of the party that the evidence favors in order to maintain the trust of both parties. It would have been obvious to a person having ordinary skill in the art at the time of the invention to modify the system of Briscoe/Frankel/Wrona or Briscoe/Hauser/Wrona to include the dispute resolution based on evidence of Applicant-Admitted Prior Art in order to promote trust of and thereby use of the intermediary.

27. The Official Notice that a trusted third party or intermediary to resolves disputes in favor of the party that the evidence favors in order to maintain the trust of both parties was old and well known at the time of Applicant's invention is taken to be Applicant-Admitted Prior Art. The Official Notice was asserted by the Examiner in the Office action mailed October 24, 2008 (Paper No. 20081020, paragraph 23). Applicant did not properly traverse this Official Notice in Applicant's next response filed February 24, 2009. Therefore, it is taken to be Applicant-Admitted Prior Art. See MPEP 2144.03.C.

### ***Double Patenting***

28. The nonstatutory double patenting rejection is based on a judicially created doctrine grounded in public policy (a policy reflected in the statute) so as to prevent the unjustified or improper timewise extension of the “right to exclude” granted by a patent and to prevent possible harassment by multiple assignees. A nonstatutory obviousness-type double patenting rejection is appropriate where the conflicting claims are not identical, but at least one examined application claim is not patentably distinct from the reference claim(s) because the examined application claim is either anticipated by, or would have been obvious over, the reference claim(s). See, e.g., *In re Berg*, 140 F.3d 1428, 46 USPQ2d 1226 (Fed. Cir. 1998); *In re Goodman*, 11 F.3d 1046, 29 USPQ2d 2010 (Fed. Cir. 1993); *In re Longi*, 759 F.2d 887, 225 USPQ 645 (Fed. Cir. 1985); *In re Van Ornum*, 686 F.2d 937, 214 USPQ 761 (CCPA 1982); *In re Vogel*, 422 F.2d 438, 164 USPQ 619 (CCPA 1970); and *In re Thorington*, 418 F.2d 528, 163 USPQ 644 (CCPA 1969).

29. A timely filed terminal disclaimer in compliance with 37 C.F.R. §§ 1.321(c) or 1.321(d) may be used to overcome an actual or provisional rejection based on a nonstatutory double patenting ground provided the conflicting application or patent either is shown to be commonly owned with this application, or claims an invention made as a result of activities undertaken within the scope of a joint research agreement.

30. Effective January 1, 1994, a registered attorney or agent of record may sign a terminal disclaimer. A terminal disclaimer signed by the assignee must fully comply with 37 C.F.R. § 3.73(b).

31. Claims 1-3 and 6-21 are provisionally rejected on the ground of nonstatutory obviousness-type double patenting as being unpatentable over claims 1-40 of copending Application No. 10/789,808. Although the conflicting claims are not identical, they are not patentably distinct from each other because all of the positively recited method steps of claims 1-3 and 6-21 are disclosed in claims 1-40 of the copending application.

32. This is a provisional obviousness-type double patenting rejection because the conflicting claims have not in fact been patented.

### ***Claim Interpretation***

33. Independent claims (1 and 14) are examined together, since they are not patentably distinct. If Applicant expressly states on the record that two or more independent and distinct inventions are claimed in this application, the Examiner may require the applicant to elect an invention to which the claims will be restricted.

### ***Response to Arguments***

34. Applicant's arguments with respect to the §112, 2<sup>nd</sup> paragraph rejections of claims 2, 3, 15, and 16 due to the recitations "based on willingness of the service provider to be exposed to non-payment by that service consumer" and "indicates the number of services for which the service provider is willing to be exposed to non-payment by the service consumer" have been fully considered and they are persuasive. These §112, 2<sup>nd</sup> paragraph rejections of the previous Office action are withdrawn.

35. Applicant's arguments with respect to the §103 rejection of claims 1 and 14 have been fully considered but they are only partially persuasive.

36. Applicant argues that Briscoe fails to disclose that the service provider provides an indication of the number of services in a billing unit to either a service consumer (as recited in claim 1) or a service intermediary (as recited in claim 14). However, this difference is only found in the nonfunctional descriptive material and does not affect how the claimed invention functions (i.e., the descriptive material does not have any claimed function in the method). Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability.

37. Applicant further argues that the motivation stated in the previous Office action for modifying Briscoe based on Frankel or Hauser is inappropriate. The Examiner agrees. See the above §103 rejection for a revised motivation/rationale for this combination.

### ***Conclusion***

38. Suggestions or examples of claim language provided by the Examiner in this Office Action are just that—suggestions or examples—and do not constitute a formal requirement mandated by the Examiner. Unless stated otherwise by an express indication that the claim is “allowed,” exemplary claim language provided by the Examiner to overcome a particular rejection or to change claim interpretation has not been addressed with respect to other aspects of patentability (e.g. §101 patentable subject matter, §112 1st paragraph written description and enablement, §112 2nd

paragraph indefiniteness, and §102 and §103 prior art). Therefore, any claim amendment that incorporates an Examiner suggestion or example or simply changes claim interpretation will nevertheless require further consideration and/or search and a patentability determination as noted above.

39. Any inquiry concerning this communication or earlier communications from the Examiner should be directed to Jamie Kucab whose telephone number is 571-270-3025. The Examiner can normally be reached on Monday-Friday 9:30am-6:00pm EST.

40. If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's supervisor, Andrew Fischer can be reached on 571-272-6779. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

41. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

JK

/EVENS J. AUGUSTIN/

Primary Examiner, Art Unit 3621